THE LEGISLATIVE ASSEMBLY OF
BRITISH COLUMBIA

Annual Review of the Budgets of the Independent Offices of the Legislative Assembly

Select Standing Committee on
Finance and Government Services

Third Report
Fifth Session, Thirty-Seventh Parliament

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December 7, 2004

To the Honourable,
Legislative Assembly of the
Province of British Columbia
Victoria, British Columbia

Honourable Members:

I have the honour to present herewith the Third Report of the Select Standing Committee on Finance and Government Services.

The Third Report covers the work of the Committee on the annual review of the budgets of the Independent Offices of the Legislative Assembly.

Respectfully submitted on behalf of the Committee,

Bill Belsey, MLA
Chair

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COMPOSITION OF THE COMMITTEE

MEMBERS

Bill Belsey, MLA	Chair	North Coast
Brian Kerr, MLA	Deputy Chair	Malahat-Juan de Fuca
Jeff Bray, MLA		Victoria-Beacon Hill
Greg Halsey-Brandt, MLA		Richmond Centre
Arnie Hamilton, MLA		Esquimalt-Metchosin
Dave S. Hayer, MLA		Surrey-Tynehead
Mike Hunter, MLA		Nanaimo
Richard T. Lee, MLA	(Member since Oct. 7, 2004)	Burnaby North
Hon. Brenda Locke, MLA	(Member to Oct. 7, 2004)	Surrey-Green Timbers
Joy K. MacPhail, MLA		Vancouver-Hastings
Lorne Mayencourt, MLA		Vancouver-Burrard
Wendy McMahon, MLA		Columbia River-Revelstoke
John Nuraney, MLA		Burnaby-Willingdon
Patty Sahota, MLA		Burnaby-Edmonds
Lynn Stephens, MLA		Langley
Blair Suffredine, MLA	(Member since Oct. 7, 2004)	Nelson-Creston

CLERK TO THE COMMITTEE

Craig James, Clerk Assistant and Clerk of Committees

COMMITTEE RESEARCHERS

Josie Schofield, Research Analyst

Michael Beninger, Committee Researcher

TERMS OF REFERENCE

On April 1, 2004, the Select Standing Committee on Finance and Government Services was appointed and empowered:

2. (a) To consider and make recommendations on the annual reports, rolling three-year service plans and budgets of the following statutory officers:

- Auditor General;
- Chief Electoral Officer;
- Conflict of Interest Commissioner;
- Information and Privacy Commissioner;
- Ombudsman;
- Police Complaint Commissioner; and

(b) To examine, inquire into and make recommendations with respect to other matters brought to the Committee's attention by any of the Officers listed in above.

(c) That the Select Standing Committee on Finance and Government Services be the committee referred to in sections 19,20, 21 and 23 of the *Auditor General Act* and that the performance report in section 22 of the *Auditor General Act* be referred to the committee.

In addition to the powers previously conferred upon the Select Standing Committee on Finance and Government Services, the committee shall be empowered:

(a) to appoint of their number one or more subcommittees and refer to such subcommittees any of the matters referred to the committee;

(b) to sit during a period in which the House is adjourned and during any sitting of the House;

(c) to adjourn from place to place as may be convenient; and

(d) to retain personnel as required to assist the committee,

and shall report to the House as soon as possible, or following any adjournment or at the next following session, as the case may be, to deposit the original of its reports with the Clerk of the Legislative Assembly during a period of adjournment and upon resumption of the sittings of the House, the Chair shall present all reports to the Legislative Assembly.

COMMITTEE PROCESS

On April 1, 2004, the Legislative Assembly approved a motion instructing the all-party Select Standing Committee on Finance and Government Services (the Finance Committee) to consider and make recommendations on the budgets of the independent offices of the Auditor General, the Chief Electoral Officer, the Conflict of Interest Commissioner, the Information and Privacy Commissioner, the Ombudsman and the Police Complaint Commissioner.

The Finance Committee was also asked by the House to examine, inquire and make recommendations with respect to other matters brought to its attention by any of the six statutory officers. During the spring, committee members met with the Auditor General and the Chief Electoral Officer on matters pertaining to their respective offices (March 25). They also considered and endorsed a request for supplementary funding from the Information and Privacy Commissioner (May 11 and 19). The Committee's recommendation is contained in the first report tabled in the House on May 20, 2004.

Prior to starting its annual review of the budgets of the independent offices, there were unanticipated changes to the committee membership. On September 21, 2004, Bill Belsey, MLA was elected as the new Chair to replace Hon. Brenda Locke, who was appointed Minister of State for Mental Health and Addiction Services. Subsequently, on October 7, Blair Suffredine, MLA and Richard Lee, MLA were appointed as new committee members. Unfortunately, we also have to acknowledge that Arnie Hamilton, MLA, a committee member since 2002, sustained a serious injury on September 29, 2004, while the Finance Committee was conducting its pre-budget public consultations. His presence and contribution to the Committee's work was greatly missed by both Members and staff.

To conduct its annual review of the budgets of the six independent offices, the Committee scheduled three public meetings in Victoria between November 3 and 17, 2004. Members also met on November 30 to conclude their deliberations on the content of their report to be presented to the House. Minutes and transcripts of the public meetings, as well as an electronic copy of this report, are available on the Internet at www.leg.bc.ca/cmt.

Schedule of Meetings

March 25, 2004	Auditor General
	Chief Electoral Officer
May 11, 2004	Information and Privacy Commissioner
May 19, 2004	Deliberations
November 3, 2004	Conflict of Interest Commissioner
November 3 and 30, 2004	Police Complaint Commissioner
November 9, 2004	Information and Privacy Commissioner
November 17, 2004	Chief Electoral Officer
	Ombudsman
	Auditor General
November 30, 2004	Deliberations

OFFICE OF THE CONFLICT OF INTEREST COMMISSIONER

"You will appreciate that offices like mine are entirely demand-driven. If we can continue doing our routine work, this request for $292,000 is a fair indication of what it costs for the year. I think that Members may feel that, by and large, it's good value for the money." (H.A.D. Oliver, QC, Conflict of Interest Commissioner)

Background

In its first financial review, completed in December 2001, the Finance Committee recommended to the House that the annual operating budgets of the Office of the Conflict of Interest Commissioner be maintained at $292,000 for the next three fiscal years. Last year, the Committee confirmed this amount and anticipated that the office would request $292,000 for 2005/06.

Committee Review

On November 3, 2004, the Committee met to review the office's funding proposal for the next three fiscal years. Representing the office was H.A.D. Oliver, QC, the province's Conflict of Interest Commissioner.

Funding Proposal, 2005/06 – 2007/08

After briefly outlining the work of his office, the Conflict of Interest Commissioner updated the Committee on the status of his budget for the current fiscal year. He anticipated that the office would not use all of its appropriation for 2003/04, as the work so far this year had been mainly routine, with no significant breaches of the *Members' Conflict of Interest Act* to deal with. After pointing out that both Alberta and Ontario have larger budgets for similar operations — $315,000 and $552,6000 respectively — the Commissioner stressed that he and his staff were running a very inexpensive office.

While he was not requesting any increase in his office's operating budget for 2005/06, the Commissioner reminded the Committee that conflict-prevention offices are demand-driven. The estimate of $292,000 therefore was based upon two rebuttable assumptions: that there will no major misconduct complaints next year; and that no formal inquiries will need to be conducted.

Members' Inquiry

In their response to the Commissioner's budget proposal, the committee members' inquiry focused on the need to inform prospective MLAs about financial disclosure requirements.

Recommendation

The Committee recommends:

- **That the Office of the Conflict of Interest Commissioner continue to receive an annual operating budget of $292,000 in each of the next three fiscal years.**

OFFICE OF THE POLICE COMPLAINT COMMISSIONER

"If we are ever to fulfill our entire mandate, we will need additional resources.... In brief, I am respectfully requesting additional funding for this year's unanticipated events causing a shortfall in our current budget. I am also requesting an increased budget to enable me to hire an additional investigative analyst for the forthcoming fiscal years."
(Dirk Ryneveld, QC, Police Complaint Commissioner)

Background

In its first financial review, completed in December 2001, the Finance Committee recommended to the House that the Office of the Police Complaint Commissioner reduce its operating budget by 30 percent over three fiscal years. Last year, the Committee recommended that the budget for operating expenses be $985,000 in 2004/05 and reviewed in the fall of 2004 to see whether this annual appropriation would be maintained in the future.

Committee Review

On November 3 and 30, 2004, the Committee met to review the office's budget submission for the next three fiscal years. Representing the office were Dirk Ryneveld, QC, the province's Police Complaint Commissioner, and Lanny Hubbard, Director of Corporate Services.

Budget Submission, 2005/06 – 2007/08

The Police Complaint Commissioner began his presentation by asking the Committee to consider increasing his operating budget. He pointed out that the current appropriation of $985,000 is "the bare minimum requirement" for exercising the role of civilian oversight of the police and does not allow for any unforeseen eventualities. This year, for example, a staff member had to go on extended sick leave, requiring the Commissioner to backfill the position until the end of December. As a result, staffing costs are higher than forecast and the office is facing a shortfall of $55,000 in its operating budget. As well, unanticipated legal costs related to the continuing Berg hearing are likely to be in the order of $50,000 by the end of the current fiscal year.

For 2005/06, the Commissioner requested a higher operating budget so that his office can provide the enhanced services required by law and recommended by the statutory review committee in August 2002. These services include the production of training materials on the complaint process for use by those agencies responsible for police training; the development of public education and outreach programs that address the needs of diverse communities, including marginalized groups; and the establishment of procedures for mediation services.

A portion ($115,000) of the proposed increase in the annual appropriation would permit the hiring of one additional investigative analyst in the Vancouver office to enable staff to further multi-task and each contribute to the training and outreach programs; and an extra $40,000 would be needed to pay the higher chargeback rate for employee benefits. Another $100,000 would be earmarked for unforeseen costs related to public hearings — specifically, the Berg

hearing and the Stanley Park matter — and legal costs for court challenges to the legislation, with the proviso that any unused portion of this dedicated funding would be returned to the provincial treasury as unspent money at the end of fiscal 2005/06.

Members' Inquiry

In response to the office's budget submission, the committee members' inquiry focused on the proposal to establish mediation services. They also sought clarification on the projections for higher staff salaries, the FTE allocation, and the requests for the current and future fiscal years.

Mediation Services

Committee members inquired whether the Commissioner anticipated that the establishment of procedures for mediation services relating to the police complaint process would result in future savings in terms of hearing costs or other investigations. They learned that the existing mediation program for the Calgary Police Commission has resolved a number of complaints and that the success rate with mediation in Québec is considerable. The Commissioner also stated that his own experience as a lawyer suggested that mediation works and saves money and acrimony. As well, resolving a complaint in this way restores both the police's and the public's credibility in the process. For these reasons, if his office had an additional $50,000, over and above the amount requested for 2005/06, it could do a pilot project on mediation next year.

Recommendations

The Committee recommends:

- **That the Office of the Police Complaint Commissioner be granted supplemental funding of $105,000 in 2004/05 for unanticipated costs related to staffing and hearings.**
- **That the 2005/06 operating budget of the Office of the Police Complaint Commissioner be increased to $1,290,000, which includes $100,000 dedicated funding for hearings and legal costs, as well as $50,000 for startup costs related to a pilot mediation program.**
- **That, for financial planning purposes, the office's annual operating budget be $1,140,000 in 2006/07 and in 2007/08.**
- **That the Office of the Police Complaint Commissioner be granted an annual capital budget of $25,000 in each of the next three fiscal years.**

OFFICE OF THE INFORMATION AND PRIVACY COMMISSIONER

"I am not at this time seeking added funding to address the increased demands on our services, but consistent with the committee's direction in past reports, I will seek added funding, if I consider it necessary to do so, down the road." (David Loukidelis, Information and Privacy Commissioner)

Background

In its first financial review, completed in December 2001, the Finance Committee recommended to the House that the Office of the Information and Privacy Commissioner reduce its operating budget by 35 percent over three fiscal years. Last year, the Committee set the office's operating budget at $2.133 million for 2004/05 and 2005/06 to reflect the additional statutory duties assumed by the office. While it set the same amount for 2006/07, it anticipated that this figure would be reviewed in the future.

Committee Review

On November 9, 2004, the Committee met to review the office's budget submission for the next three fiscal years. Representing the office were David Loukidelis, the province's Information and Privacy Commissioner, and Lanny Hubbard, Director of Corporate Services.

Budget Submission, 2005/06 – 2007/08

The Information and Privacy Commissioner began his presentation by updating the Committee on the status of the supplemental funding his office had received in the spring. He stated that the preparation of the recent report on issues raised by the USA Patriot Act would cost around $155,000, well above his original estimate of $75,000. As well, the judicial review proceeding involving his office had so far cost $16,000 more than the Committee's recommended funding for this litigation ($40,000). The Commissioner then informed the Committee that he would not be seeking additional supplementary funds at that time to cover these unexpected costs, since he was hoping to absorb them by reallocating amounts within his current operating budget.

The Commissioner reported that his office's workload has increased significantly over the past year, largely due to its new oversight responsibilities under the *Personal Information Protection Act*. He added that the caseload under the *Freedom of Information and Protection of Privacy Act* has been growing too. In both cases, the Commissioner indicated that the higher workload could be accommodated within "present means." In addition, the office also administers the *Lobbyists Registration Act*, which involves a steady workflow.

As for future budgets, the Commissioner requested modest increases in each of the next three fiscal years. For 2005/06, the request was for an additional $78,000 to accommodate increases in staff increments and employee benefits, and higher building occupancy costs. The Commissioner also asked that the capital budget for his office be increased to $30,000 a year to cover the cost of replacing outdated computer equipment and an antiquated custom photocopier.

Members' Inquiry

In response to the Commissioner's budget submission, the committee members' inquiry focused on the increased workload resulting from the office's new oversight responsibilities. They also asked about the office's toolkit for educating the public about the new private sector privacy law, and about the projected increases in employee benefits and staff salaries.

Office Workload

Members inquired about how much staff time was devoted to two of the three statutes falling under the mandate of the Office of the Information and Privacy Commissioner. The Commissioner reported that the complaints related to the private sector privacy law (PIPA) have not required as much time and effort as compared to some of the access-to-information appeals the office deals with regarding the public sector (FOIPPA). In response to a follow-up question, he indicated that the office uses a case tracker system to detect patterns in terms of where the complaints originated, as well as promoting routine disclosure of information by public bodies.

Recommendations

The Committee recommends:

- **That the annual operating budget of the Office of the Information and Privacy Commissioner be increased to $2,211,000 in each of the next three fiscal years.**
- **That the Office of the Information and Privacy Commissioner be granted an annual capital budget of $30,000 in each of the next three fiscal years.**

ELECTIONS BC

"For the present, we would appreciate if the Committee would recommend in its report to the Legislature that Elections BC receive a 2005/06 allocation of $6.508 million for operating funds, $3.6 million for capital funds and $24.99 million for administering three electoral events next year: the targeted enumeration, the provincial general election and the referendum on electoral reform." (Harry Neufeld, Chief Electoral Officer)

Background

In its first financial review, completed in December 2001, the Finance Committee recommended to the House that Elections BC reduce its operating budget by 45 percent over three fiscal years. Subsequently, this ratio was revised to 35 percent, due to the office's high amortization costs. Last year, the Committee anticipated that the office's proposed operating budget for 2005/06 would be $6.508 million and that its annual capital budget would be reviewed this fall.

Committee Review

On November 17, 2004, the Committee met to review Elections BC's budget proposal for the next three fiscal years. Representing the office were Harry Neufeld, the province's Chief Electoral Officer; Linda Johnson, Deputy Chief Electoral Officer; and Nola Western, Director, Electoral Finance.

Budget Proposal, 2005/06 – 2007/08

The Chief Electoral Officer began his presentation by outlining his office's requirements for additional event-related funding in the current fiscal year. He requested $385,000 to cover the operational costs of the recent Surrey-Panorama Ridge by-election — an "on-demand" event that was not anticipated in last year's financial review. In addition, he asked for the Committee's approval for event-related capital funding of $545,000 for the purchase of information systems directly related to the targeted enumeration and the upcoming general election.

Regarding future budgets, Elections BC requested no increases in its annual appropriation of $6.508 million for ongoing operating expenses. In terms of ongoing capital funding, the Director of Finance reported that the office must begin a large capital project in 2005/06 because the software components of its electoral information system need to be updated. She stated that this redevelopment and migration of the system to a new platform will take place over the next three fiscal years and the planned investment is projected to cost $8.395 million.

The Chief Electoral Officer then outlined the funding requirements for the next fiscal year related to the three electoral events his office is legally required to administer: the targeted enumeration of voters, the May 17, 2005 provincial general election and the referendum on electoral reform. He reported that the legislative changes approved in May 2004 have allowed his office to proceed with the plans for merging the provincial voters list with the national register of electors and for launching a voter-registration public outreach campaign in the three

months immediately preceding the election. For 2005/06, the office will require $860,000 in funding to complete the final stages of the targeted enumeration process.

The Chief Electoral Officer then informed the Committee that the bottom-up cost model used by his office projects the total cost of the next general election to be in the region of $25 million. He explained that this estimate is higher than the one presented to the Committee last year for three reasons: (1) the need to replace infrastructure in the district electoral offices; (2) the anticipated increase in the number of registered voters (from 2.25 to 2.84 million); and (3) the greater use of information technology in the electoral district offices. He anticipated that the election cost per registered voter of $8.72 is expected to be very much in line with the 2001 election ($8.04), when inflation is factored in.

The Committee was also presented with a preliminary estimate of $1.1 million for the pending referendum on electoral reform. The Chief Electoral Officer noted, however, that until the referendum regulations are finalized by the staff of the Ministry of Attorney General and passed into law by cabinet, his office is not able to develop a more accurate cost projection.

During their presentation, the senior management of Elections BC also referred to three potential changes in the office's administrative environment that may require a change to its funding in the future: the effect of electoral boundary redistribution changes; the impact of electoral reform on voting/counting methods; and the prospect of further amendments to the *Election Act*.

Members' Inquiry

In response to Elections BC budget proposal, the committee members' inquiry focused on voting area boundaries and future capital budgets. They also asked about the verification of the citizenship requirement and residential address for voter registration; the level of voter satisfaction with the office's service levels; and the process for updating the voter list in urban ridings that have experienced a rapid growth in population. As well, clarification was sought on the variation in expenses for professional services and information systems shown in previous operating budgets, the reasons for the surplus in 2002/03, and on the office's amortization costs.

Voting Area Boundaries

Members inquired whether there would be any cost savings if voting area boundaries were abolished within electoral districts. In his response, the Chief Electoral Officer pointed out that the electoral process required an administrative building block of some kind in order to supply enough materials and officers on election day. He indicated that he was not in favour of "a random chaos approach," permitting people to vote in any polling station in their electoral district. The Deputy Electoral Officer also added that the existing boundaries provide a means to prevent voter fraud, as unregistered voters are directed to a polling station in the voting area they live in. She also noted that the administration involved is a relatively low-cost item.

On a related matter, Members queried whether the existing limit of 400 voters per voting area is too inflexible, posing an inconvenience for those voters living on the wrong side of the

boundary. The Chief Electoral Officer responded by saying that the limit is based on years of analysis and represents what two voting officials can deal with in terms of traffic on voting day, and that the range used by other jurisdictions tends to be 350 to 450 for equally sound administrative reasons.

Capital Budgets

Other questions from committee members related to the impact on future capital budgets if Elections BC became more technologically dependent, particularly if the voters approved the proposed change to a new single-transferable-vote system in the upcoming referendum. While the Chief Electoral Officer acknowledged that electronic voting was certainly an option to be considered on the planning horizon, it was not something his office was looking at now. He noted that an investment in voting machine technology was one option further down the road. As well, he was prepared to look at a web-based voting system, despite the challenges it poses around authentication and security, as an alternative to the constant cycle of replacing outdated hardware and software.

On another matter, the Committee Chair asked for an explanation of why the proposed capital budget for 2005/06 ($3.6 million) was almost 50 percent lower than the amount proposed a year ago ($6.69 million). In response, the Chief Electoral Officer explained that in this year's budget proposal, the cost of the new hardware and software is now distributed over three fiscal years.

Recommendations

The Committee recommends:

- **That the expenses of $385,000 incurred by the Chief Electoral Officer for administering the Surrey-Panorama Ridge by-election of October 28, 2004 be paid out of the surplus of $545,000 in the office's current event-operating budget and the balance of $160,000 be returned as unspent money to the provincial treasury no later than March 31, 2005.**
- **That Elections BC receive supplementary event-capital funding of $545,000 in 2004/05 for the purchase of information systems directly related to the targeted enumeration and upcoming provincial election.**
- **That Elections BC continue to receive an ongoing operating budget of $6,508,000 in each of the next three fiscal years.**
- **That Elections BC be allocated $24,998,000 for election-related events in 2005/06.**
- **That Elections BC receive a capital budget of $3,600,000 in 2005/06; $2,920,000 in 2006/07; and $1,875,000 in 2007/08.**

OFFICE OF THE AUDITOR GENERAL

"I ask the Committee to approve a modest increase in my funding of $600,000 for the fiscal year 2005/06 to allow me to better serve legislators and the people of British Columbia." (Wayne Strelioff, Auditor General)

Background

In its first financial review, completed in December 2001, the Finance Committee recommended to the House that the budget of the Office of the Auditor General be increased for 2002/03 and then reduced by 15 percent in the next two fiscal years. Last year, the Committee confirmed the budget reduction target and anticipated that the office's operating budget for 2005/06 would be maintained at $7.069 million and that its annual capital budget would be $200,000.

Committee Review

On November 17, 2004, the Committee met to review the Office of the Auditor General's funding proposal for the next three fiscal years. Representing the office was the province's Auditor General, Wayne Strelioff; Errol Price, Deputy Auditor General; Brent Cunningham, Director, Corporate Services; and Barbara Vanderlinden, Acting Human Resources Manager.

Funding Proposal, 2005/06 – 2007/08

The Auditor General began his presentation by asking the Committee to reconsider the decision it made last year to maintain the office's operating budget at $7.069 million for 2005/06. He pointed out that an appropriation of $7.67 million would help the office deal with the increased scope of its responsibilities arising from the inclusion of over 90 additional organizations within the government's planning, management and reporting framework.

The Auditor General also noted that the funding proposal takes an incremental approach that is intended to begin to rebuild the office's capacity over the next three fiscal years. The 25-percent turnover in audit staff has resulted from the reduced funding, the early retirement of senior executive officers and the loss of experienced professional auditors recruited by the provincial public sector. He also informed the Committee that this year's proposal does not contain any request for a contingency fund to pay for any work-related requests from select standing committees, which would be asked to fund special examinations in the future.

The Auditor General then outlined the other significant challenges confronting his office: dealing with the extra workload involved in signing off on the financial statements of organizations in the expanded government reporting entity by June 2005; meeting the higher expectations of the professional oversight bodies and related cost increases; and building the office's capacity to provide assurance on performance information reported by government and to assess how well government is managing its risks.

Finally, the Auditor General asked the Committee to approve the office's plan to continue to charge fees-for-service to recover the costs of work related to financial statement audits of individual government organizations.

Recommendations

The Committee recommends:

- **That the annual appropriation for the operations of the Office of the Auditor General be increased to $7,670,000 in each of the next three fiscal years**
- **That the Auditor General may continue to charge fees, on a cost-recovery basis, that are estimated to be $2,300,000 in each of the next three fiscal years.**
- **That the Office of the Auditor General receive an annual appropriation of $200,000 to fund capital expenditures in each of the next three fiscal years.**

OFFICE OF THE OMBUDSMAN

"If maintained at the level previously recommended by the Committee, our budget would not be sufficient to maintain the current core services." (Howard Kushner, Ombudsman)

Background

In its first financial review, completed in December 2001, the Finance Committee recommended to the House that the Office of the Ombudsman reduce its operating budget by 35 percent over three fiscal years. Last year, the Committee anticipated that the office's operating budget would be maintained at $3.097 million for 2005/06 and that its annual capital budget would be $65,000.

Committee Review

On November 17, 2004, the Committee met to review the office's budget submission for the next three fiscal years. Representing the officer were Howard Kushner, the province's Ombudsman, and Lanny Hubbard, Director of Corporate Services.

Budget Submission, Fiscal 2006 – 2008

The Ombudsman began his presentation by informing the Committee that this year marks his office's twenty-fifth anniversary. After outlining the various changes in internal organization and processes since 1979, he observed that the mandate of the office has remained the same.

The Ombudsman then presented a short overview of the work of his office in 2004. He reported that there are currently 448 open files, which he interprets as a signal that staffing levels are not sufficient to keep up with the existing volume of complaints. Furthermore, this increase in the number of open files is occurring even with the measures the office adopted to control and limit its intake. For example, in 2003 the office declined to investigate some 200 files involving local governments or self-regulating professions; and in 2004, it established a holding queue for complaints about schools, colleges and universities, hospitals and health authorities.

Turning to the office's finances, the Ombudsman reported that the last of the three-year cuts is currently being implemented. He requested a small increase of $20,000 for this fiscal year to allow the mobile intake service to continue ($5,000) and to cover increased costs for data and voice services ($15,000). For the next three fiscal years, the Ombudsman asked for a $67,000 increase in the office's base budget to maintain current levels of service. This lift would cover the anticipated increase in the employee benefits charge-back rate ($34,000), higher telephone and data line costs ($25,000), and higher building occupancy charges ($8,000).

For 2005/06, the Ombudsman asked the Committee for one-time funding of $189,000 over and above the base budget to allow the office to hire two additional investigators for one year to address the backlog in the caseload and to assist in reducing the wait time in the holding queue. Also requested was a one-time grant of $35,000 in 2005/06 to assist in the operation of the mobile intake service on the lower mainland. He reported that there are more people

dropping in to the mobile office than visited the former public access office in Vancouver, and that the additional funding would provide the opportunity to see whether it makes economic and business sense to continue with this service.

Finally, the Ombudsman raised with the Committee several matters that could impact future funding: the comprehensive cost and business analysis being undertaken by the three offices sharing services — the Ombudsman, the Information and Privacy Commissioner and the Police Complaint Commissioner — into the feasibility of moving to voice-over IP technology for their telecommunications needs; the potential business opportunities from the sale of the Office of the Ombudsman's case-tracker system; and the possibility of a salary adjustment for the six statutory officers of the Legislative Assembly, if the recent report of the 2004 British Columbia Judges Compensation Commission is accepted by government.

Members' Inquiry

In their response to the Ombudsman's submission, the committee members' inquiry focused on the mobile intake service and the current caseload. They also asked about the curriculum material prepared for grades 11 and 12; the role of the inspector of municipalities; the prospect of collecting statistics on the number of complaints by constituency; the number of complaints about schools and the sponsorship program; and the level of satisfaction among complainants.

Mobile Intake Service

Members asked the Ombudsman what indicators he would use to measure whether the continued use of the mobile intake service made economic and business sense. They learned that the service works as a screening process, enabling staff to determine whether a complaint falls under the office's jurisdiction, and that an investigative file is opened in the majority of cases.

Office Caseload

Another inquiry of committee members related to the current backlog of files. They were informed that the files contain more complex cases that have not been resolved by internal complaint resolution mechanisms. The Ombudsman also explained that the proposed hiring of two temporary investigators would allow the office to deal with the backlog of files in the holding queue and even to create a queue for local governments and self-regulated professions.

On a related matter, the Ombudsman was asked how many of the files declined due to lack of resources represent serious cases needing to be investigated. He reported that these files would have been assigned to an investigator and that most of them are for local governments and self-regulating professions. The files in the holding queue represent a different set of authorities.

Recommendations

The Committee recommends:

- **That the Office of the Ombudsman receive supplementary funding of $20,000 in 2004/05 to cover the projected shortfall in data and voice service costs and to continue the mobile intake service.**
- **That the annual operating budget of the Office of the Ombudsman be increased to $3,388,000 in 2005/06.**
- **That, for financial planning purposes, the office's annual operating budget be set at $3,164,000 in 2006/07 and in 2007/08.**
- **That the Office of the Ombudsman be granted an annual capital budget of $65,000 in each of the next three fiscal years.**

CONCLUSIONS

The Committee would like to acknowledge the cooperation of the six statutory officers and the dedication of their office staff to maintain core services since the onset of the annual financial review process in the fall of 2001. We also recognize that the independent offices have had to face financial challenges over the last three years to bring their budgets in line with the resource constraints felt across government. This year, the projected budget surpluses have given us the financial room to address the requests for additional funding, subject to House approval.

As this year's review represents the last one to be undertaken in the 37th Parliament, we would also like to clarify again the mandate of the Select Standing Committee on Finance and Government Services. In addition to our review of each independent office's budget proposals, our terms of reference permit consideration of supplemental funding requests, or of any other matters brought to the Committee's attention by any of the statutory officers of the Legislative Assembly. Therefore we would like to invite the officers to approach future finance committees anytime during the course of the year if they require supplemental funding or want to raise other matters affecting their office's mandate and operations — including proposed legislative changes affecting the delivery of core services.

As the Committee is recommending that the House approve several requests for supplemental funding during the course of the fifth session, we are including a summary in this section of our report to assist in the preparation of the supplementary estimates.

Recommended Supplemental Funding, FY 2004/05

- Vote 4: Elections BC — $545,000 capital expenditure.
- Vote 5: Information and Privacy Commissioner — $115,000 operating expense (Approved by the House on May 20, 2004).
- Vote 6: Ombudsman — $20,000 operating expense.
- Vote 7: Police Complaint Commissioner — $105,000 operating expense.

Finally, the Committee would like to point out that potential salary increases for the statutory officers of the Legislative Assembly have not been considered during our review. Nonetheless, we are aware that if the government accepts the final report of the 2004 British Columbia Judges Compensation Commission, adjustments will have to be made to the salaries of the statutory officers of the Legislative Assembly, since these are tied by statute to the salary set for the Chief Judge of the Provincial Court.

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